Washington State Department of Social & Health Services

Dennis Braddock, Secretary

WINTER 2003-04

WORKING TOGETHER FOR OUR CLIENTS

The Medicaid Integration Partnership: An Update

Strengthening community partnerships and improving health outcomes

BRINGING US TOGETHER

The Department of Social and Health Services (DSHS) was created in the 1970s to include seven "administrations," each of them a virtual state department in and of itself. The purpose of the single large state agency was to allow the different social and health service providers to be joined at an operational level, enhancing oversight, cooperation and teamwork. In that same spirit, DSHS Secretary Dennis Braddock has now proposed an initiative aimed at bridging some of the divisions that have developed over the years. Braddock's charge is for the administrations to reach across the gaps and to create new partnerships that refocus agency services on clients and their needs.

High-risk clients are shared by Medical Assistance, the Mental Health Division, the Division of Alcohol and Substance Abuse, and the Aging and Disability Services Administration. They have an enormous impact on DSHS expenditures:

▶ Aged and adult disabled clients comprised 16% of DSHS' 1.3 million clients in FY2001.
▶ Medical, mental health, long-term care, and substance abuse treatment for this population accounts for almost one-third of DSHS' budget.
▶ Prescription drugs represent one-fifth of all the money DSHS spends on medical, mental health, long-term care and substance abuse treatment services for these clients.

FOR MORE INFORMATION AND MIP CONTACTS, SEE PAGE 2

DSHS Secretary Dennis Braddock established the Medicaid Integration Partnership with a memo to his Assistant Secretaries on April 11, 2002. His goals for integration include improving client outcomes, improving cost-effectiveness of services, and improving community partnerships. An intra-agency group launched the Washington Medicaid Integration Partnership (WMIP) in May 2002 with the aim of blending funding and integrating services in a major demonstration project during the FY2003-05 biennium. The WMIP partners include Medical Assistance Administration, the Mental Health Division, Division of Alcohol and Substance Abuse, ADSA (the Aging and Disability Services Administration), the Office of the Secretary, the DSHS Budget office, and Research & Data Analysis Division.

Today, the Secretary's long-range vision is in the initial stages of becoming reality: Several administrations within DSHS have begun working together on changes to the health-care system that will slow the progression of illness and disability, improve health outcomes, and lower the cost of care. The work group has mapped coordinated care arrangements that can integrate Medicaid medical treatments, mental health care, alcohol and drug abuse treatment, and long-term care benefits. Overall, MIP has taken the first steps toward cost-effective, outcomes-based models that will better manage the needs of Medicaid clients with multiple complex needs.

A timetable for Medicaid Integration:

☑ **2002:** Data and Models workgroups have analyzed the Medicaid population in terms of demographics, use of services, cost of care, and where care is provided. The workgroups also solicited proposals from interested parties and explored care and service delivery for clients who use multiple DSHS services.

☑ **Fall 2003:** A Request for Proposals (RFP) is seeking bids on a major project in Snohomish County built around an integrated delivery system of medical, mental health, and chemical dependency treatment.

☐ **February 2004:** Select contractor(s) for Snohomish demonstration project.

☐ **Spring 2004:** Community meetings will introduce the WMIP project.

☐ **Summer 2004:** First WMIP clients enrolled in the demonstration project.

☐ **2005:** Long-term care will be evaluated as an addition to the WMIP benefit package as networks are developed.

STRATEGIC GOALS FOR MEDICAID INTEGRATION

Four key steps will help achieve the long-range vision of Medicaid Integration:

▶ **Design and demonstrate the value of Medicaid integration.** MIP will contract with at least one partner interested in sharing the planning and development costs of a Medicaid Integration Pilot Project.

▶ **Implement an integrated health care model that demonstrates effective accountability for health outcomes and promotes Olmstead compliance.** MIP is responsive to the Olmstead imperative to provide "community-integrated" health care and support services that are "medically appropriate" for individuals with disabilities.

▶ **Evaluate the demonstration project for its contribution to the longer-range vision.** MIP will evaluate the Medicaid Integration Demonstration Project to assess the impact on service quality, client health & safety and cost-effectiveness.

▶ **Employ prudent business practices in Medicaid.** MIP will identify health care integration partners to assist us in delivering the best consumer benefit and public value for our Medicaid expenditures, using sound business and professional practices.

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How Medicaid Integration will work

"I believe the integration of health care and related services is our most consumer-friendly response to the budget crisis we are facing. We must manage the Medicaid program as a strategic enterprise focused on clients with complex medical, long-term care and mental health needs. We can create a comprehensive Medicaid benefit package by designing integrated health-care models that are efficient, effective and accountable. We have an imperative to secure the best value for our public expenditures."

-- Dennis Braddock, DSHS Secretary, November 1, 2002

Key assumptions:

1. **Medicaid comprises the state's most comprehensive benefit package.**
2. **Better management options are available.**
3. **Medicaid savings are possible.**
4. **Integration partners are available.**

An action plan for the Medicaid Integration Partnership:

The partnership's most significant early step is a major demonstration project involving community partners and thousands of Medicaid clients. In November 2003, Snohomish County was identified as the location for this project, which is expected to include up to 6,000 aged and disabled clients (including dual eligibles) selected on a volunteer basis. Initial services will include drug and alcohol abuse treatment, medical services, and mental health care. A Request for Proposals (RFP) was issued by DSHS, with bidding to close at the end of January 2004. WMIP hopes to launch the project in the summer of 2004.

Key portions of the WMIP initiative include:

- Identification of health plans who develop partnerships with groups of providers of medical, mental health, and drug and alcohol abuse treatment.
- Funding streams will be integrated to support a single monthly capitated payment for medical services, prescription drugs, mental health and drug and alcohol abuse treatment.
- Research capability at DSHS will be used to conduct and/or oversee the evaluation of WMIP.
- While long-term care and services specifically for the developmentally disabled will not be initially part of the Snohomish County project, the WMIP contractor will be expected to coordinate such services with designated ADSA staff and/or community case managers. The integration of the long-term care services will most likely occur within 12 months of the enrollment start date of July 2004. There will be ongoing discussions with the successful bidder concerning the possibility of including services specifically for the developmentally disabled sometime in the future.
- The WMIP project is also exploring the opportunity to partner in the future with a federal capitated disease management project for dual eligible (Medicare and Medicaid) patients.

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*Executive leadership for the Medicaid project is being provided by **Doug Porter**, the Assistant Secretary for Medical Assistance Administration, and his counterparts at the head of two other DSHS administrations: **Kathy Leitch**, Assistant Secretary/Aging and Disability Services Administration, and **Tim Brown,** Assistant Secretary/Health and Rehabilitative Services. MIP team leaders -- **Alice Lind, MAA, Team Chair; Bill Moss**, ADSA; **Cathy Cochran**, Olmstead coordinator; **Corki Hirsch**, DASA; **Darleen Vernon,** MHD; and **Sharon Estee**, RDA – are coordinating planning and program activities for the pilot and demonstration projects.*